

REPORT TO: CORPORATE SERVICES SCRUTINY COMMITTEE
Date of Meeting: 29 JUNE 2016
Report of: Assistant Director Finance
Title: Corporate Services Final Accounts 2015-16

Is this a Key Decision?

No

Is this an Executive or Council Function?

No

1. What is the report about?

To advise Members of any major differences, by management unit, between the approved budget and the outturn for the financial year up to 31 March 2016 in respect of Corporate Services Scrutiny Committee.

2. Recommendations:

That Members of Corporate Services Scrutiny Committee assure themselves that Officers review areas with significant variances and undertake the necessary actions to address the issues that the variances may cause.

3. Reasons for the recommendation:

Local authorities have a statutory duty to set and monitor their budgets during the year and to take any actions necessary because of potential overspending or potential shortfalls in income. Members are therefore presented with a quarterly financial update in respect of Corporate Services Scrutiny Committee and this is the final report for 2015-16.

4. What are the resource implications including non financial resources

The financial resources required to deliver Corporate Services during 2015-16 are set out in the body of this report.

5. Section 151 Officer comments:

This report has been prepared on behalf of the Section 151 Officer to set out the financial position of Corporate Services Scrutiny Committee, as at 31 March 2016, ahead of inclusion in the Council's annual Statement of Accounts.

6. What are the legal aspects?

Part 2 of the Local Government Act 2003 provides the legislative framework for the process of setting and managing budgets. In particular, Section 28 of the 2003 Act requires local authorities to monitor their budgets during the financial year.

7. Monitoring Officer's comments:

The report raises no issues for the Monitoring Officer.

8. Report Details:

Corporate Services Scrutiny Committee Final Accounts to 31 March 2016

8.1 Key Variations from Budget

The final actual outturn has now been calculated and the report below highlights the major differences by management unit from the approved annual budget after adjusting for supplementary budgets.

The total variance for the year shows a surplus of £179,416 after transfers from reserves and revenue contributions to capital, as detailed in Appendix 1. This represents a variation of 8.19% from the revised budget.

The variations by management are detailed in the table in 8.3. However, a significant element of the underspend is in respect of the asset improvement and maintenance and property maintenance fund budgets. 8.2 provides detailed reasons for the underspend.

8.2 Budgets in respect of asset maintenance and improvement and property maintenance are included in various management units in this, and other committees. Elements of these budgets are underspent by a total of £635,930 of which £393,840 sits within this committee. The points below provide details of the underspend:

- Key initial objectives of the Corporate Property restructure were to mitigate inefficient spending. As a result, only priority works have been undertaken in year. With the restructure now partially implemented, correctly prioritised spend has commenced so a more realistic spend profile will be seen from this point forward.

To ensure that works postponed during this phase can be delivered a request will be made to roll forward the £326,300 in order to deliver a variety of schemes such as Civic Centre toilet refurbishment; Car Park Structural Repairs; Corn Exchange staff toilet improvements; and Civic Centre heating system component overhaul and optimisation.

- The budget for historic building decoration works and property condition surveys has not been spent in 15/16. The works were delayed due to ensuring the successful completion of the Livestock Centre re-roofing project. The schemes are in the process of being delivered and therefore, a request will be made to roll forward £309,631.

8.3 The significant variations by management are:

MU Code	Management Unit	Over / (Underspend)	Detail
83A1	Estates Services	(£89,441)	<ul style="list-style-type: none"> • Non Domestic Rates expenditure exceeded the budget. • Income from the property portfolio was 2% less than budgeted. South Street, the Guildhall shopping centre and Cowick Street were all more than 10% below the respective annual budgets (Total - £146k). • Pay budget underspent. • Property insurance costs and capital charges are less than the annual budget. • Asset Improvement and Maintenance contingency and lease repair budgets are underspent (Total - £121k). A request to carry forward an element of the unspent lease repairs budget will be made. • Support service recharges to the management unit are less than the budget.
83C5	Corporate Property Maintenance	(£334,490)	<ul style="list-style-type: none"> • The Property Maintenance Fund budget is underspent (£324k). A request to carry forward the budget underspend will be made. • Pay budgets were underspent due to vacancies. • Support service recharges to the management

MU Code	Management Unit	Over / (Underspend)	Detail
			unit were more than the budget.
86A2	Elections & Electoral Registration	£57,740	<ul style="list-style-type: none"> • Pay budgets were overspent. • Additional costs were incurred due to the City Council By-Election. • Expenditure on sub-contractors were more than the budget. • Additional costs were incurred due to the work required on the boundary changes.
86A6	Grants/Cent Supp/Consultation	£130,582	<ul style="list-style-type: none"> • Pay and grants budgets overspent. • New Homes Bonus funding an element of the grants overspend. • Consultants' fees expenditure exceeded the budget. • Support service recharges to the management unit were more than the budget.
CENTRAL SUPPORT SERVICE ACCOUNTS			<p>The management units listed below are recharged out across the whole of the Council and are either brought back to zero cost or have balances left that are transferred to management unit 86A7 above. Before this took place the variances that occurred are noted below:</p>
86B1	Financial Services	(£33,272)	<ul style="list-style-type: none"> • Underspend on pay budgets • Additional commission received for insurance of commercial properties
86B3	Human Resources	(£146,759)	<ul style="list-style-type: none"> • Underspend on pay budgets (£48k) • Underspend on training budgets (£68k) • Support service recharges for Civic Centre accommodation, Legal Services and Internal Audit less than the budgets
86B4	Legal Services	(£46,490)	<ul style="list-style-type: none"> • Underspend on pay budgets
86B5	Corporate Customer Services	(£99,374)	<ul style="list-style-type: none"> • Underspend on utilities and Asset Improvement and Maintenance budgets in respect of the Civic Centre (Total - £72k). • Pay budgets underspent. • Additional rental and solar panel income received in respect of Civic Centre (Total - £35k). • Support service recharges were more than the budgets and capital charges exceeded the annual budget.
86B6	IT Services	£58,919	<ul style="list-style-type: none"> • This overspend is more than compensated by a £82k refund from Strata in respect of the Council's share of the savings achieved

MU Code	Management Unit	Over / (Underspend)	Detail
			during 2015/16. The refund is held within a separate management unit for this Committee.
83B8	Procurement	£64,385	<ul style="list-style-type: none"> • Additional agency costs

9. How does the decision contribute to the Council's Corporate Plan?

Corporate Services Scrutiny Committee contributes to two key purposes, as set out in the Corporate Plan; maintain our property assets of the city and a well run Council.

10. What risks are there and how can they be reduced?

An action plan addressing the key areas of budgetary risks within Corporate Services will be included if and when they arise.

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

No impact

12. Are there any other options?

No

DAVE HODGSON

Assistant Director Finance

Author: FINANCIAL SERVICES TEAM

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:

None

Contact for enquiries:

Democratic Services (Committees)

Room 2.3

(01392) 265275